

Central Intelligence Agency



Washington, D.C. 20505

DDI- 04331-85

28 AUG 1985

MEMORANDUM FOR: Vice Admiral Arthur S. Moreau, Jr.
Assistant to the Chairman
Joint Chiefs of Staff

Vice Admiral John M. Poindexter, USN
Deputy Assistant to the President
for National Security Affairs

The Honorable Michael H. Armacost
Under Secretary of State for
Political Affairs

The Honorable Donald P. Gregg
Assistant to the Vice President
for National Security Affairs

The Honorable Richard L. Armitage
Assistant Secretary of Defense
for International Security Affairs

SUBJECT: The Department of State's Action Memorandum
Entitled, "Philippines: A Presidential Emissary
to Manila"

1. We have reviewed the latest version of the State Department's package proposing a Presidential emissary. CIA continues to have serious misgivings about this particular plan. We believe that sending partially sugarcoated messages and sticking with incremental pressures will only cut deeply into the precious time remaining to find a solution protecting long-term US interests.

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Richard J. Kerr
Acting Deputy Director for Intelligence 25X1

[redacted] D/OEA [redacted] (28 Aug 85)

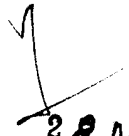
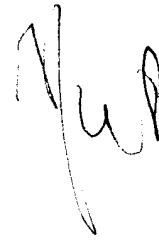
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SECRET SENSITIVE



MEMORANDUM FOR: Deputy Director of Central Intelligence

FROM: Richard J. Kerr
Acting Deputy Director for Intelligence

SUBJECT: State's Emissary Memo

1. Attached is the latest version of the Department of State's action memo entitled "Philippines: A Presidential Emissary to Manila." Included in the package are a draft memo for the President and a "Proposed Draft Presidential Letter" that would accompany an emissary.

2. In my view this new version is still a step in the wrong direction. State has made little or no effort to accommodate this plan to the suggestions you and I have made that Marcos should be sent a tough, no-nonsense message. I believe that sending partially sugarcoated messages and sticking with incremental pressures will only cut deeply into the precious time remaining to find a solution protecting ~~the~~ long-term US interests.

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Sue -

According to Cathy at NSC , the following were participants in last week's CCPG meeting on the Philippines:

State Dept - ✓ Michael Armacost, Paul Wolfowitz

Defense Dept - ✓ Richard Armitage, James Kelly

Joint Chiefs of Staff - ✓ Vice Admiral Arthur Moreau, John Buckeleu

NSC - ✓ Admiral Poindexter, Gaston Sigur, Richard Childress, Rod McDaniel

CIA - Richard Kerr,

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Don Quess

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TRANSMITTAL SLIP		DATE 27 AUG 1967	
TO: ADDI			
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NIO for East Asia			
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United States Department of State

Washington, D. C. 20520

ACTION MEMORANDUM

S/S

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TO: The Secretary

THRU: P - Michael H. Armacost

FROM: EAP - Paul Wolfowitz

SUBJECT: Philippines: A Presidential Emissary to Manila.

ISSUE FOR DECISION

Whether to send a Presidential emissary to Manila to underscore to President Marcos the Administration's concern about the growing communist insurgency and the lack of credible progress on political, economic, and military reform.

ESSENTIAL FACTORS

In pursuit of our Philippine policy, as enumerated in NSDD 163, the time has come to send a Presidential emissary to Manila to reinforce our demarches over the past months to President Marcos on the urgent need for concrete, across the board reforms needed to revitalize political, economic and military institutions. Ambassador Bosworth has urged, and we concur, that such a Presidential message be delivered within the next several weeks by an individual whom Marcos will see as coming directly from President Reagan. Judge Clark would be ideal, but the CPPG also considered other names, including Bud McFarlane.

Absent such high level reinforcement of our policy message, Marcos will most likely continue his minimalist approach to reform of the past several months, and we will wind up far short of the credible reform record we will need for next year's struggles with the Congress over bases-related security assistance. More importantly, without such progress, the political and economic situation in Manila will deteriorate further, enabling the escalating communist insurgency to continue to exploit the Marcos' government's low credibility and the ineffective military response.

We envisage several visits by the emissary over a period of months to keep Marcos focussed on the issues and convinced of our resolve. While giving Marcos some credit for his

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limited reforms in some areas, he should stress that far more needs to be done if the situation is to be turned around, and if we are to have any chance of Congressional approval of the FY 87 security assistance package. The emissary should give equal stress to the economy, fair elections and military reform, including the military leadership issue (i.e. the blow to our bilateral relations if General Ver were to return as Chief of Staff following his expected acquittal in the Aquino murder trial).

We should recognize that a Presidential emissary is a significant step up in the incremental approach we have been pursuing to achieve the institutional reforms needed to move the Philippines through a stable transition to the post-Marcos era--whenever that occurs. It is also a necessary step to take prior to addressing the very hard choices we may have to face if Marcos in the end will not allow institutions to be strengthened at the expense of his personal political position, i.e. if he refuses to be part of the solution.

The strategy can only be worthwhile if the emissary is someone of stature who is also personally close to the President.

RECOMMENDATION

That you approve the attached memorandum to the President which recommends the designation of a Presidential emissary to Marcos, with the choice of the emissary to be determined by the White House.

Approve _____ Disapprove _____

DRAFTED:EAP/PHL:JDFinney
1079a x 1222 8/14/85

CLEARED:EAP/PHL:JFMaisto
EAP:JCMonjo
P:Witoh

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MEMORANDUM FOR: THE PRESIDENT

From: George P. Shultz

Subject: Philippines: A Presidential Emissary to Manila

I believe that the time has come to send a Presidential emissary to Manila to reinforce our demarches over the past months to President Marcos on the urgent need for concrete reforms to revitalize political, economic and military institutions. This move would be in pursuit of the Philippine policy you approved in February. Ambassador Bosworth has urged, and we concur, that such a Presidential message be delivered within the next few weeks by an individual whom Marcos will see as coming directly from you.

Absent such high level reinforcement of our policy message, Marcos will most likely continue his minimalist approach to reform of the past year. We estimate that absent real reform the communist insurgency will be in a position to take over within three to five years, and possibly sooner. We need to shake Marcos to remove the blinders, and to get him to see the situation as it really is. He seems oblivious to his government's severe credibility problem at home and abroad, the true threat of the insurgency, and the fact that economic recovery will not begin to take place until Marcos makes a good faith effort to resolve the country's political problems. Political stability simply will not return until Marcos agrees to functioning, credible institutions, particularly new electoral machinery and unfettered media; he dismantles monopoly capitalism in the agricultural sector and permits the economy to return to an authentic, free market basis; and he provides the Philippine military with professional leadership, and removes the loyalist, overstaying generals, who through corruption and favoritism, have politicized and weakened what was previously an effective fighting force.

Additionally, without a genuine effort in Manila, we will wind up far short of the credible reform record we will need for next year's struggles with the Congress over bases-related security assistance. Our ability to deliver on your 1983 best efforts pledge to provide stipulated levels of military and economic assistance linked to our military bases agreement--from which we are not backing away--could be dealt a severe blow. But as important, we will want to position ourselves with the Philippine body politic--and our own--to

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DECL: OADR

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demonstrate credibly that we have made every possible effort to impress upon Marcos how strongly we feel that viable democratic institutions, a professional military and a free market economy are the most effective response to a communist insurgency.

Our policy is not aimed at promoting the dismantling of institutions that support stability -- as occurred in Nicaragua after the Sandinistas took power. Our goal continues to be orderly succession that leads to stable transition -- whenever it takes place -- such as in Spain, Portugal, Greece, and Argentina. Accordingly, we have actively, albeit discreetly, supported the efforts of diverse Filipino leaders, including Marcos' closest advisers, to promote revitalized institutions. We are not using our leverage to bring Marcos down. We are trying to avoid a replay of both Nicaragua and Iran. Nor are we looking for a horse to ride or build up. We will not be tempted to replace Marcos with a successor picked by us. Rather, we are continuing to try to build a process that will have acceptable alternatives from which new leadership will eventually emerge in the Philippines. This effort to bring Marcos around now needs a push from a presidential envoy.

While giving Marcos some credit for a few limited reforms, the emissary should stress the seriousness of the situation as viewed by you and that far more needs to be done if Congress is to approve security assistance for FY 87. He should give equal emphasis to the economy, fair elections and military reform. He should also make the point that the depth of the Philippines' problems and the dangers the country faces point to the need for a creative, renewed effort by Marcos to unite the country, and possibly even to form a national unity government to deal with the situation. According to Marcos' reaction, we should consider further missions in which the emissary would make more specific demarches, including the possible offer of massive U.S. assistance if specific reforms were undertaken.

It would be useful for the emissary to carry a Presidential letter. A suggested draft is attached. Conversation themes for the first meeting with Marcos are being prepared.

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Drafted: EAP/PHL; JDFinney/JFMaisto
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Clearance: EAP:JCMonjo
 P:Witoh

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PROPOSED DRAFT PRESIDENTIAL LETTER

Dear Ferdinand,

I have asked _____ to travel to Manila in order to share personally with you my deep concern about the trends and problems we perceive in the Philippines. As you know, _____ has been one of my closest and most trusted personal advisors since I entered public life. Some of these matters have already been discussed in part by Ambassador Bosworth, but I think a further dialogue could be useful to both of us.

I have been encouraged by the initial steps your government has taken toward revitalization of your country's democratic processes--such as your 1984 parliamentary election--and its economic marketplace. I know that you and I agree on the importance of sustained progress in the evolution of credible democratic institutions and a truly free market economy in denying a breeding ground to communist insurgents, and in creating the best setting for a successful counter-insurgency program.

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At the same time, I am frankly concerned by the burgeoning communist insurgency, as indicated by its growth in numbers and by the size and frequency of insurgent military operations over the past months. An old friend offers the thought that the ability of the communists to exploit the Philippines' current political and economic difficulties points to the need for a creative, renewed effort that involves the energies and abilities of a broad range of Filipinos of diverse views. A comprehensive national effort by Filipinos united to address this dangerous threat fully cannot possibly fail.

These interlinking political, economic, and military matters are of vital importance not only to the growth and stability of the Philippines, but also to the future of the close and constructive relations between our two nations.

_____, with my full confidence, will further share my views with you.

Warmest regards,

Ronald Reagan"

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